

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Labour Employment Training & Factories Department – Insurance Medical Services – Government SILK REELING & SILK TWISTING UNITS, Andhra Pradesh – Grant of exemption from E.S.I. coverage under section 90 read with 91 A of E.S.I. Act, 1948 – Rejected – Orders – Issued.

LABOUR EMPLOYMENT TRAINING & FACTORIES (IMS) DEPARTMENT

G.O.Rt.No. 53

Dated: 13.01-2011

Read the following:-

1. Exemption application dated 27.08.2001 and 29.01.2010 of Commissioner of Sericulture, Andhra Pradesh, Hyderabad.
2. From the DIMS Lr.Rc.No.12628/P1/2008, dated .09.2010.

ORDER:

In the reference 1st read above,. the Commissioner of Sericulture in his exemption application has stated that the Sericulture Department has established (54) Silk Reeling Units and (7) Silk Twisting Units as Demonstration – Cum – Training Units and for the purpose of educating and training the unemployed youth belonging to weaker Section of the Society in the respective activities through Government Sponsored Schemes like TRYSEM, S.E.S. and S.C.A. In addition to these, units will provide marketing facilities to the Sericulturists of the area and also provides support to the weavers. Out of the above, only (19) Government Silk Reeling Units are functional and remaining units are not in function due to in-sufficient workers and ban on recruitment of new daily wages workers since 1985 and also incurred losses. The wages of workers are paid from the State budgetary provision on monthly basis. These units are not run on commercial lines. The Silk Reeling Units and Silk Twisting Units were set up with a view to function as Demonstration – cum – Training Units to provide assistance to the Sericulturists and Reelers as guiding (MODEL) units for the promotion of Non-farm Sector. Most of these units were also closed long back, but on account of various facts we are compelled to continue to pay wages to them, even though they are not working at all.

2. The Commissioner of Sericulture requested to bestow personal attention, and arrange to issue necessary orders duly exempting the Government Silk Reeling Units and Silk Twisting Units, from the purview of the provisions of the ESI Act, 1948.

3. In the reference 2nd read above, the DIMS,AP, Hyderabad has stated that the Exemption Committee in its meeting held on 31.08.2010, has stated that “While submitting application for exemption in the prescribed proforma “A”. the employer has not indicated the section under which exemption has been sought. In addition, the provision of benefits if any has not been made available for comparative analysis of superior or similarity of benefits to that of ESI Act. Moreover, as per information provided by the Deputy Director, ESIC, Hyd the unit has been closed from 01.11.1994, therefore it is obvious that the exemption has been sought for the period up to 01.11.1997. [past period]. In view of amended provision under section 91 A of the Act effective from 01.06.2010 the words “Either prospectively or retrospectively”, the word “Prospectively” has been substituted. Therefore no exemption can be granted retrospectively. The entire period being retrospective, the committee unanimously does not recommend for grant of exemption from the provision of the Act.

4. Government, after careful examination of the recommendations of the Standing Committee for Exemptions, hereby reject the request of the Government SILK REELING & SILK TWISTING UNITS, Andhra Pradesh for grant of permanent exemption to their employees from the coverage of under Section 90 read with Section 91-A of E.S.I. Act, 1948, as the benefit provisions of the employer which are neither similar nor superior to the benefit provisions under the ESI Act.

5. The Director of Insurance Medical Services, A.P., Hyderabad, Hyderabad is requested to take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

D. SREENIVASULU
SECRETARY TO GOVERNMENT

To
The The Director of Insurance Medical Services, A.P., Hyderabad'.
Copy to
The Commissioner of Sericulture,
Road No.72, Prashasan Nagar, Jubilee Hills, Hyd -500 033.
The Regional Director, ESI Corporation, Hyderabad.

//FORWARDED : : BY ORDER//

SECTION OFFICER